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CALIFORNIA LEGISLATURE—2009—10 REGULAR SESSION

ASSEMBLY BILL

No. 1108

Introduced by Assembly Member Fuentes

February 27, 2009

An act to amend Sections 739.5, 2791, 2796, and 2797 of, to repeal Sections 2793, 2794, 2795, and 2799 of, and to repeal and add Sections 2792 and 2798 of, the Public Utilities Code, relating to utility service.

LEGISLATIVE COUNSEL'S DIGEST

AB 1108, as amended, Fuentes. Electric and gas utility service: master-meter customers.

(1) Under existing law, the Public Utilities Commission has regulatory authority over public utilities, including electrical corporations and gas corporations. Existing law requires that, when gas or electric service is provided by a master-meter customer to users who are tenants of a mobilehome park, apartment building, or similar residential complex, the master-meter customer charge each user at the same rate that would be applicable if the user were receiving gas or

electricity directly from the gas or electrical corporation. Existing law additionally requires the electrical or gas corporation to establish uniform rates to master-meter customers at a level that will provide a sufficient differential to cover the reasonable average costs to master-meter customers of providing submeter service, except that these costs shall not exceed the average cost that the corporation would have incurred in providing comparable services directly to the users of the service (master-meter discount). Existing law provides that every master-meter customer is responsible for the maintenance and repair of its submeter facilities beyond the master meter.

This bill would make the existing provisions of law relating to master-meter customers applicable only to master-meter customers providing submetered service to tenants of an apartment building or similar multifamily residential dwelling. The bill would adopt separate provisions that are applicable to a master-meter customer that provides submetered service to tenants of a mobilehome park or manufactured housing community prior to any transfer of responsibility for gas or electric service to the gas or electrical corporation, as described below. These provisions would authorize the commission, if it finds that a master-meter customer has failed to maintain or repair its submeter facilities beyond the master meter, to order the master-meter customer to maintain or repair those facilities and would require the commission, in addition to the commission's authority to make or enforce orders pursuant to the Public Utilities Act, to order that certain moneys received as a result of the master-meter discount be held in trust, *by the owner*, to be expended for maintenance and repair of the submetered facilities of the mobilehome park or manufactured housing community *or to be paid to the gas or electrical corporation assuming responsibility for the gas or electric service*.

(2) Existing law authorizes the owner of a master-metered mobilehome park or manufactured housing community that provides gas or electric service to residents to transfer ownership and operational responsibility for its gas or electric system to the gas or electrical corporation providing service in the area in which the park or community is located, pursuant to specified transfer and cost allocation procedures.

This bill would require the *commission to open a rulemaking or other appropriate proceeding and adopt criteria for determining when an owner of a master-metered mobilehome park or manufactured housing community that provides gas or electric service to residents* ~~or of the park or community~~ *will be required* to transfer responsibility for gas or

electric service, along with those plant, facilities, and interests in real property that the gas or electrical corporation determines are necessary, convenient, or cost effective to provide service, to the gas or electrical corporation providing service in the area in which the park or community is located. *The bill would require the commission, in consultation with the Department of Housing and Community Development and county departments of weights and measures, to develop a system for inspections for determining those master-metered mobilehome parks and manufactured housing communities that, under the criteria established by the commission, are to transfer responsibility for the gas or electric service to the gas or electrical corporation. The bill would require the commission to order the transfer of service if the commission finds that a master-metered mobilehome park or manufactured housing community meets the criteria.* The bill would ~~authorize~~ require the gas or electrical corporation to either acquire, improve, upgrade, repair, or replace those plant and facilities the gas or electrical corporation determines are necessary, convenient, or cost effective to provide service and undertake the responsibility for operating and maintaining them, *or to extend its own system in parallel to the existing submetered system.* ~~The bill would require the electrical corporation to pay just compensation for those plant, facilities, and property rights that the gas or electrical corporation acquires.~~ The bill would require the commission, by January 1, 2010, to open a proceeding to adopt rules that authorize gas and electrical corporations to extend corporation-owned lines, plant, facilities, and systems to provide service consistent with applicable laws, standards, and rules, that balance certain goals and requirements. The commission would be required to establish a procedure for identifying mobilehome parks and manufactured housing communities with unsafe or substandard gas or electric systems and, in coordination with the Department of Housing and Community Development and the county departments of weights and measures, to establish a recommended phase-in schedule for improving, upgrading, repairing, ~~or replacing,~~ *or extending a corporation's own system in parallel to the existing submetered system, to address those unsafe or substandard systems and to prioritize the transfer of gas or electric systems with unsafe or substandard conditions.* The bill would require the commission, ~~consistent with the commission's standard ratemaking practices,~~ *to promptly establish interim balancing accounts or, upon request, memorandum accounts,* to permit the gas or electrical corporation to recover, in its revenue requirements and rates, the costs

the commission finds reasonable for the corporation's *evaluation, improvement, upgrade, repair, replacement, acquisition, extension of its own system in parallel to the existing submetered system, operation, and maintenance of plant, facilities, and interests in real property to serve the mobilehome park or manufactured housing community and the tenants of the park or community. The bill would require the commission to address, in each gas or electrical corporation's next general rate case, or other appropriate proceeding, a method to replace any interim balancing accounts or memorandum accounts, consistent with the commission's standard ratemaking practices.*

Under existing law, a violation of any order, decision, rule, direction, demand, or requirement of the commission is a crime.

Because a violation of an order or decision of the commission implementing its requirements would be a crime, the bill would impose a state-mandated local program by creating a new crime.

(3) The California Constitution requires the state to reimburse local agencies and school districts for certain costs mandated by the state. Statutory provisions establish procedures for making that reimbursement.

This bill would provide that no reimbursement is required by this act for a specified reason.

Vote: majority. Appropriation: no. Fiscal committee: yes.
State-mandated local program: yes.

The people of the State of California do enact as follows:

1 SECTION 1. Section 739.5 of the Public Utilities Code is
2 amended to read:
3 739.5. (a) (1) The commission shall require that, if gas or
4 electric service, or both, is provided by a master-meter customer
5 to users who are tenants of an apartment building or similar
6 multifamily residential dwelling, the master-meter customer shall
7 charge each user of the service at the same rate that would be
8 applicable if the user were receiving gas or electricity, or both,
9 directly from the gas or electrical corporation.
10 (2) The commission shall require the gas or electrical
11 corporation furnishing service to the master-meter customer to
12 establish uniform rates for master-meter service at a level that will
13 provide a sufficient differential to cover the reasonable average
14 costs to master-meter customers of providing submeter service at
15 an apartment building or similar multifamily residential dwelling,

1 except that these costs shall not exceed the average cost that the
2 corporation would have incurred in providing comparable services
3 directly to the users of the service.

4 (b) Every master-meter customer of a gas or electrical
5 corporation subject to subdivision (a) who receives any rebate
6 from the corporation shall distribute to, or credit to the account of,
7 each current user served by the master-meter customer that portion
8 of the rebate which the amount of gas or electricity, or both,
9 consumed by the user during the last billing period bears to the
10 total amount furnished by the corporation to the master-meter
11 customer during that period.

12 (c) An electrical or gas corporation furnishing service to a
13 master-meter customer shall furnish to each user of the service
14 within a submetered system at an apartment building or similar
15 multifamily residential dwelling every public safety customer
16 service which it provides beyond the meter to its other residential
17 customers. The corporation shall furnish a list of those services to
18 the master-meter customer, who shall post the list in a conspicuous
19 place accessible to all users. Every corporation shall provide these
20 public safety customer services to each user of electrical or gas
21 service under a submetered system without additional charge unless
22 the corporation has included the average cost of these services in
23 the rate differential provided to the master-meter customer on
24 January 1, 1984, in which case the commission shall deduct the
25 average cost of providing these public safety customer services
26 when approving rate differentials for master-meter customers.

27 (d) Every master-meter customer at an apartment building or
28 similar multifamily residential dwelling is responsible for
29 maintenance and repair of its submeter facilities beyond the
30 master-meter, and nothing in this section requires an electrical or
31 gas corporation to make repairs to or perform maintenance on the
32 submeter system.

33 (e) Every master-meter customer at an apartment building or
34 similar multifamily residential dwelling shall provide an itemized
35 billing of charges for electricity or gas, or both, to each user
36 generally in accordance with the form and content of bills of the
37 gas or electrical corporation to its residential customers, including,
38 but not limited to, the opening and closing readings for the meter,
39 and the identification of all rates and quantities attributable to each
40 block in the applicable rate structure. The master-meter customer

1 shall also post, in a conspicuous place, the applicable prevailing
2 residential gas or electrical rate schedule, as published by the
3 corporation.

4 (f) The commission shall require that every electrical and gas
5 corporation shall notify each master-meter customer at an
6 apartment building or similar multifamily residential dwelling of
7 its responsibilities to its users under this section.

8 (g) The commission shall accept and respond to complaints
9 concerning the requirements of this section through the consumer
10 affairs branch, in addition to any other staff that the commission
11 deems necessary to assist the complainant. In responding to the
12 complaint, the commission shall consider the role that the office
13 of the county sealer in the complainant's county of residence may
14 have in helping to resolve the complaint and, where appropriate,
15 coordinate with that office.

16 (h) Notwithstanding any other provision of law or decision of
17 the commission, the commission shall not deny eligibility for the
18 California Alternate Rates for Energy (CARE) program, created
19 pursuant to Section 739.1, for a residential user of gas or electric
20 service who is a submetered resident or tenant served by a
21 master-meter customer on the basis that some residential units in
22 the master-meter customer's apartment building or similar
23 multifamily residential dwelling do not receive gas or electric
24 service through a submetered system.

25 SEC. 2. Section 2791 of the Public Utilities Code is amended
26 to read:

27 2791. (a) *The commission shall open a rulemaking or other*
28 *appropriate proceeding and adopt criteria for determining when*
29 *an owner of a master-metered mobilehome park or manufactured*
30 *housing community that provides gas or electric service to residents*
31 *shall transfer responsibility for the gas or electric service, along*
32 *with those plant, facilities, and interests in real property that the*
33 *gas or electrical corporation determines are necessary, convenient,*
34 *or cost effective to provide service, to the gas or electrical*
35 *corporation providing service in the area in which the park or*
36 *community is located. The gas or electrical corporation may*
37 *acquire, improve, upgrade, repair, or replace its plant and facilities*
38 *the gas or electrical corporation determines are necessary,*
39 *convenient, or cost effective to provide service and undertake the*
40 *responsibility for operating and maintaining them. The criteria*

1 *shall implement the public purpose that tenants of master-metered*
2 *mobilehome parks and manufactured housing communities receive*
3 *gas and electric service that is as safe and reliable as that which*
4 *the commission requires gas and electrical corporations to supply*
5 *to residential customers.*

6 *(b) The commission, in consultation with the Department of*
7 *Housing and Community Development and county departments*
8 *of weights and measures, shall develop a system for inspections*
9 *for determining those master-metered mobilehome parks and*
10 *manufactured housing communities that, under the criteria*
11 *established by the commission, shall transfer responsibility for the*
12 *gas or electric service to the gas or electrical corporation*
13 *providing service in the area in which the park or community is*
14 *located. The system of inspections shall utilize existing complaint*
15 *records to establish priorities for inspections and be performed*
16 *by the Department of Housing and Community Development.*

17 *(c) If the commission finds that a master-metered mobilehome*
18 *park or manufactured housing community meets the criteria for*
19 *transfer of responsibility for gas or electric service to the gas or*
20 *electrical corporation, the commission shall order that the transfer*
21 *take place. Any transfer shall take place pursuant to this chapter,*
22 *or as the park or community owner and the serving gas or electrical*
23 *corporation mutually agree.*

24 *(d) If the commission orders that gas or electric service is to be*
25 *transferred, the gas or electrical corporation shall either acquire,*
26 *improve, upgrade, repair, or replace those plant and facilities the*
27 *gas or electrical corporation determines are necessary, convenient,*
28 *or cost effective to provide service and undertake the responsibility*
29 *for operating and maintaining them, or extend its own system in*
30 *parallel to the existing submetered system, in which case the gas*
31 *or electrical corporation shall assume no ownership or*
32 *responsibility for the existing submetered facilities and none of*
33 *the existing submetered facilities shall be necessary, convenient,*
34 *or cost effective for the corporation to provide service.*

35 ~~(b)~~

36 *(e) The owner of a master-metered mobilehome park or*
37 *manufactured housing community shall provide to the gas or*
38 *electrical corporation all rights-of-way, rights of ingress and egress,*
39 *and other property rights that the gas or electrical corporation*
40 *requires or determines are necessary to complete the evaluation*

1 and improvement, upgrade, repair, or replacement of the gas or
2 electric system ~~and to maintain and operate the system, or extension~~
3 *of the corporation's own system in parallel to the existing*
4 *submetered system, and to provide safe electric or gas service.*

5 (e)

6 (f) A gas or electrical corporation shall not be required, pursuant
7 to this chapter, to acquire those plant and facilities that are part of
8 a submetered system that are beyond the master meter that the gas
9 or electrical corporation determines are not necessary, convenient,
10 or cost effective to providing gas or electric service to tenants of
11 the mobilehome park or manufactured housing community.

12 ~~(d) The gas or electrical corporation shall pay just compensation~~
13 ~~for those plant, facilities, and property rights that the gas or~~
14 ~~electrical corporation acquires. The Legislature finds and declares~~
15 ~~that improvements, upgrades, repairs, or replacement of facilities~~
16 ~~by the gas or electrical corporation benefit not only the tenants of~~
17 ~~the mobilehome park or manufactured housing community, through~~
18 ~~safer and more reliable service, but also the owner of the park or~~
19 ~~community. It is the intent of the Legislature that the compensation~~
20 ~~paid by the gas or electrical corporation to the owner of the park~~
21 ~~or community shall reflect the benefits provided to the owner as~~
22 ~~a result of improvements, upgrades, repairs, or replacement of~~
23 ~~facilities by the gas or electrical corporation.~~

24 SEC. 3. Section 2792 of the Public Utilities Code is repealed.

25 SEC. 4. Section 2792 is added to the Public Utilities Code, to
26 read:

27 2792. (a) (1) The commission shall require that, if gas or
28 electric service, or both, is provided by a master-meter customer
29 to users who are tenants of a mobilehome park or manufactured
30 housing community, the master-meter customer shall charge each
31 user of the service at the same rate that would be applicable if the
32 user were receiving gas or electricity, or both, directly from the
33 gas or electrical corporation.

34 (2) The commission shall, prior to any transfer of responsibility
35 for gas or electric service to the gas or electrical corporation,
36 require the gas or electrical corporation furnishing service to the
37 master-meter customer to establish uniform rates for master-meter
38 service at a level that will provide a sufficient differential to cover
39 the reasonable average costs to master-meter customers of
40 providing submeter service to tenants of a mobilehome park or

1 manufactured housing community, except that these costs shall
2 not exceed the average cost that the corporation would have
3 incurred in providing comparable services directly to the users of
4 the service.

5 (b) Every master-meter customer of a gas or electrical
6 corporation subject to subdivision (a) who receives any rebate
7 from the corporation shall distribute to, or credit to the account of,
8 each current user served by the master-meter customer that portion
9 of the rebate which the amount of gas or electricity, or both,
10 consumed by the user during the last billing period bears to the
11 total amount furnished by the corporation to the master-meter
12 customer during that period.

13 (c) (1) Prior to any transfer of responsibility for gas or electric
14 service to the gas or electrical corporation, every master-meter
15 customer providing submetered service to tenants of a mobilehome
16 park or manufactured housing community is responsible for
17 maintenance and repair of its submetered facilities beyond the
18 master-meter, and nothing in this section requires a gas or electrical
19 corporation, prior to any transfer of responsibility for gas or electric
20 service to the gas or electrical corporation, to make repairs to or
21 perform maintenance on the submetered system.

22 (2) If the commission finds, prior to any transfer of responsibility
23 for gas or electric service to the gas or electrical corporation, that
24 a master-metered mobilehome park or manufactured housing
25 community owner has failed to maintain or repair its submetered
26 facilities beyond the ~~master-meter~~ *master meter*, the commission
27 may order the master-meter customer to maintain or repair those
28 facilities.

29 (3) In addition to any authority granted the commission to make
30 or enforce orders pursuant to Chapter 11 (commencing with Section
31 2100) of Part 1, if the commission finds, ~~prior to any transfer of~~
32 ~~responsibility for gas or electric service to the gas or electrical~~
33 ~~corporation~~, that a master-metered mobilehome park or
34 manufactured housing community owner has failed to maintain
35 or repair its submetered facilities beyond the ~~master-meter~~ *master*
36 *meter*, the commission shall order the portion of the rate differential
37 established pursuant to subdivision (a) for an electric plant or a
38 gas plant be held in trust *by the owner* to be expended for
39 maintenance and repair of the submetered facilities *or paid to the*

1 *gas or electrical corporation assuming responsibility for the gas*
2 *or electric service.*

3 (d) Every master-meter customer shall, prior to any transfer of
4 responsibility for gas or electric service to the gas or electrical
5 corporation, provide an itemized billing of charges for gas or
6 electricity, or both, to each user generally in accordance with the
7 form and content of bills of the gas or electrical corporation to its
8 residential customers, including, but not limited to, the opening
9 and closing readings for the meter, and the identification of all
10 rates and quantities attributable to each block in the applicable rate
11 structure. The master-meter customer shall also post, in a
12 conspicuous place, the applicable prevailing residential gas or
13 electrical rate schedule, as published by the corporation.

14 ~~(f)~~

15 (e) The commission shall require that every gas and electrical
16 corporation notify each master-meter customer of its
17 responsibilities to its users under this section.

18 ~~(g)~~

19 (f) The commission shall accept and respond to complaints
20 concerning the requirements of this section through the consumer
21 affairs branch, in addition to any other staff that the commission
22 deems necessary to assist the complainant. In responding to the
23 complaint, the commission shall consider the role that the office
24 of the county sealer in the complainant's county of residence may
25 have in helping to resolve the complaint and, where appropriate,
26 coordinate with that office.

27 ~~(h)~~

28 (g) Notwithstanding any other provision of law or decision of
29 the commission, the commission shall not deny eligibility for the
30 California Alternate Rates for Energy (CARE) program, created
31 pursuant to Section 739.1, for a residential user of gas or electric
32 service who is a submetered resident or tenant served by a
33 master-meter customer on the basis that some residential units in
34 the master-meter customer's mobilehome park or manufactured
35 housing community do not receive gas or electric service through
36 a submetered system.

37 SEC. 5. Section 2793 of the Public Utilities Code is repealed.

38 SEC. 6. Section 2794 of the Public Utilities Code is repealed.

39 SEC. 7. Section 2795 of the Public Utilities Code is repealed.

SEC. 8. Section 2796 of the Public Utilities Code is amended to read:

2796. (a) During the pendency of a transfer of responsibility for gas or electric service, the owner of the park or community shall be responsible for the continued maintenance to preserve the integrity of the park or community gas or electric system and safe and reliable operation of the park or community system in accordance with applicable laws, until the gas or electrical corporation has completed its improvements, upgrades, repairs, or replacement of the submetered system, *or the extension of its own system in parallel to the existing submetered system*, at which time the owner of the park or community shall transfer to the gas or electrical corporation all remaining property rights that the gas or electrical corporation requires or determines are necessary, convenient, or cost effective to enable the gas or electrical corporation to do both of the following:

(1) Provide gas or electric service to the park or community.
(2) Provide gas or electric service to the end-use customers in the park or community.

(b) During the pendency of a transfer of responsibility for gas or electric service, the owner of the park or community shall be liable for injury and damage resulting from operation of the submetered gas and electric system. After completion of the transfer of responsibility for gas or electric service, ~~including the~~ *any* transfer of property rights pursuant to subdivision (a), the gas or electrical corporation shall assume responsibility for ~~operation of the gas or electric system and~~ the provision of service to residents of the park or community and shall assume liability for any future injury or damage resulting from operation of the *corporation's* gas or electric system. The gas or electrical corporation shall bear no legal or financial responsibility or liability for the master-metered gas or electric system of an owner of a park or community, its operation or maintenance, including any environmental contamination that may have been caused by the park or community, or any injury to person or property resulting from the gas or electric system or its operation, nor shall the gas or electrical corporation be liable for any claim relating to any expected timing of the ~~replacement of the gas or electric system.~~ *transfer of responsibility of service pursuant to Section 2791.*

(c) *The commission shall not require the gas or electrical corporation to perform any environmental mitigation on the submetered system of an owner of a park or community. However, to the extent that an electrical or gas corporation determines that there is a need to remove or remediate any part of the submetered system to provide service, the commission may require the park or community owner to perform the removal or remediation prior to the transfer of service to the gas or electrical corporation. Alternatively, the commission may authorize the corporation to perform the removal or remediation, and the commission shall permit the electrical or gas corporation to recover the costs of the removal or remediation in rates.*

(d) *To ensure the continuity and safety of service for residents of mobilehome parks and manufactured housing communities, the Department of Housing and Community Development shall ensure that connections to each individual mobilehome or manufactured housing unit meet applicable building code standards prior to the transfer of service to the gas or electrical corporation. The gas or electrical corporation shall not be required to assume service to a mobilehome park or manufactured housing community unless and until all connections to individual homes or units meet applicable building code standards.*

SEC. 9. Section 2797 of the Public Utilities Code is amended to read:

~~2797. The commission shall, consistent with the commission's standard ratemaking practices,~~ (a) *The commission shall do both of the following:*

(1) *On an interim basis, promptly establish balancing accounts or, at the request of the gas or electrical corporation, a memorandum account, to permit the gas or electrical corporation to recover in its revenue requirement and rates the costs the commission finds reasonable for the corporation's evaluation, improvement, upgrade, repair, replacement, acquisition, operation, and maintenance of plant, facilities, and interests in real property to serve the mobilehome park or manufactured housing community and the tenants of the park or community.*

(2) *Address in each gas or electrical corporation's next general rate case, or in another appropriate proceeding, a method to replace any interim balancing accounts or memorandum accounts and to permit the gas or electrical corporation to recover in its*

1 *revenue requirements and rates, consistent with the commission's*
2 *standard ratemaking practices, the improvement, upgrade, repair,*
3 *replacement, acquisition, operation, and maintenance of plant,*
4 *facilities, and interests in real property to serve the mobilehome*
5 *park or manufactured housing community and the tenants of the*
6 *park or community.*

7 *(b) The costs recovered by the gas or electrical corporation*
8 *shall be allocated in accordance with the commission's standard*
9 *rate design practices and shall not be imposed solely on tenants*
10 *of master-metered mobilehome parks and manufactured housing*
11 *communities.*

12 SEC. 10. Section 2798 of the Public Utilities Code is repealed.

13 SEC. 11. Section 2798 is added to the Public Utilities Code,
14 to read:

15 2798. (a) By January 1, 2010, the commission shall open a
16 proceeding to adopt rules that authorize gas and electrical
17 corporations to extend corporation-owned lines, plant, facilities,
18 and systems, consistent with applicable laws, standards, and rules
19 for service and line extensions to provide service consistent with
20 the requirements of Section 2791. The rules shall balance the goal
21 of ~~making~~ *providing* residents of mobilehome parks and
22 manufactured housing communities ~~customers of record of the~~
23 ~~serving gas or electrical corporation within a reasonable period of~~
24 ~~time, when the transfer of responsibility for gas or electric service~~
25 ~~is the result of unsafe or substandard submetered facilities, the~~
26 ~~factors described in this section, with gas and electric service that~~
27 *is as safe and reliable as that which the commission requires gas*
28 *and electrical corporations to supply to residential customers and*
29 *the requirement of fairness to the gas or electrical corporation's*
30 *ratepayers, who have already reimbursed the master-meter*
31 *customer for maintenance costs, operating costs, return on*
32 *investment, and depreciation, as well as other costs associated with*
33 *providing submetered electric and gas service, through the rate*
34 *differential afforded master-meter customers pursuant to Section*
35 *739.5.*

36 (b) In adopting rules governing the transfers required by Section
37 2791, the commission shall also adopt a process for ordering the
38 transfer of any plant, facilities, and property rights that the gas or
39 electrical corporation determines are necessary, convenient, or
40 cost effective to provide gas or electric service and to ensure that

1 any reasonable costs associated with the gas or electrical
2 corporation's improvement, upgrade, repair, replacement,
3 ~~acquisition, operation, or aquisition of the existing submetered~~
4 ~~system, or the extension of the corporation's own system in parallel~~
5 ~~to the existing submetered system, and the operation and~~
6 maintenance of plant and facilities to serve the mobilehome park
7 or manufactured housing community and the tenants of the park
8 or community will be borne by the ratepayers of the serving gas
9 or electrical corporation are collected in rates. The commission
10 shall establish a procedure for identifying mobilehome parks and
11 manufactured housing communities with unsafe or substandard
12 gas or electric systems, shall establish a recommended phase-in
13 schedule for improving, upgrading, repairing, ~~or replacing~~
14 ~~replacing, or extending a corporation's own system in parallel to~~
15 ~~the existing submetered system, to address~~ those unsafe or
16 substandard systems, and shall prioritize, in coordination with the
17 Department of Housing and Community Development and the
18 county department of weights and measures, the transfer of those
19 gas or electric systems with unsafe or substandard conditions. The
20 phase-in schedule shall take into account the overall feasibility of
21 the schedule, the impact on resources of the gas or electrical
22 corporation required to implement improvements, upgrades,
23 ~~repairs, or replacements~~ *replacements, or extensions of the*
24 *corporation's own system in parallel to the existing submetered*
25 *system,* the necessity for coordination of different entities that
26 provide gas and electric service to the master-meter customer, and
27 the financial impact, including the impact on rates. The gas or
28 electrical corporation shall *extend its own system in parallel to the*
29 *existing submetered system or* improve, upgrade, repair, or replace
30 the gas or electric system in a manner that conforms to all
31 applicable state and federal codes, standards, regulations, rules,
32 and laws respecting gas and electric systems and consistent with
33 the standards the gas or electrical corporation uses for other
34 facilities it owns, operates, and maintains, and construction to those
35 standards is reasonable for purposes of Article 1 (commencing
36 with Section 451) of Chapter 3 and Article 2 (commencing with
37 Section 727) of Chapter 4 of Part 1.

38 (c) To the maximum extent feasible, the commission shall
39 establish a recommended phase-in schedule in conjunction with
40 the gas or electrical corporation's next general rate case proceeding

1 and shall establish rates that take into account the anticipated costs
2 of implementing the phase-in schedule established pursuant to
3 subdivision (b). The commission shall promptly allow further
4 adjustment of rates to reflect additional costs reasonably incurred
5 in implementing this chapter, including additional capital
6 investments.

7 (d) The commission shall require, as a condition for the transfers
8 *of service* required by Section 2791, that the gas or electrical
9 corporation accept as a customer of the utility, ~~with no deposits~~
10 ~~or other consideration~~, any tenant of the mobilehome park or
11 manufactured housing community who, prior to the transfer,
12 received gas or electric service from the master-metered customer
13 ~~when pursuant to the requirements for establishing service are met~~
14 as provided in the corporation's applicable rules and tariffs.

15 SEC. 12. Section 2799 of the Public Utilities Code is repealed.

16 SEC. 13. No reimbursement is required by this act pursuant to
17 Section 6 of Article XIII B of the California Constitution because
18 the only costs that may be incurred by a local agency or school
19 district will be incurred because this act creates a new crime or
20 infraction, eliminates a crime or infraction, or changes the penalty
21 for a crime or infraction, within the meaning of Section 17556 of
22 the Government Code, or changes the definition of a crime within
23 the meaning of Section 6 of Article XIII B of the California
24 Constitution.